



STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**  
861 SILVER LAKE BLVD.  
CANNON BUILDING, SUITE 100  
DOVER, DELAWARE 19904

TELEPHONE:  
FAX:

(302) 736-7500  
(302) 739-4849

November 20, 2014

**MEMORANDUM**

TO: The Chair and Members of the Commission

FROM: Malika Davis, Public Utility Analyst

SUBJECT: IN THE MATTER OF THE APPLICATION OF NRG KIOSK, LLC D/B/A POWER KIOSK FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED APRIL 30, 2014 AND FILED OCTOBER 9, 2014) - PSC DOCKET No. 14-145

---

**Background**

On April 30, 2014, NRG Kiosk, LLC d/b/a Power Kiosk (the "Company") submitted an application (the "Application") with the Delaware Public Service Commission (the "Commission") for an Electric Supplier Certificate ("ESC") to act as a Broker in the State of Delaware pursuant to §1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §1001 - §1020 (the "Act") and 26 *Del. Admin. C.* §3001, the Commission's Rules for Certification and Regulation of Electric Suppliers (the "Supplier Rules").<sup>1</sup>

**Application**

The filing submitted on April 30, 2014 did not contain all the information that is required per the Supplier Rules. Staff requested the Company file additional documentation in a letter dated May 15, 2014. The letter requested that the Company provide the following information: a) an affirmative statement that Company will comply with Section 2.1.1.4 of the Supplier Rules; b) indicia of financial capability as required by Section 2.1.1.5.1 of the Supplier Rules; c) clarification of the EDC service territory in which the Company intends to provide services as required by Section 2.1.1.5.2 of the Supplier Rules; d) a notarized verification of the Application as required by Section 2.1.1.6 of the Supplier Rules; and e) Registration of Trade, Business & Fictitious Name Certificates for each county in Delaware as required by Section 2.1.1.8.1 of the Supplier Rules.

On or around July 9, 2014, Staff spoke with Dr. Hamed Babai, from the Company and was informed that the Company will strictly be operating under the name of Power Kiosk in Delaware. Mr. Babai also explained that the Company was as start-up formed in July 2013 and therefore did not have any financial statements. The Company submitted additional financial information along with verification on July 11, 2014. Staff sent an additional request on August 27, 2014. The August 27<sup>th</sup> letter requested that the Company provide a) a Certificate of Good Standing issued by the Delaware Secretary of State b) any financial information available for the Company; c) resumes demonstrating the operational experience of those responsible for Delaware operations; d) updated information for the

---

<sup>1</sup> Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

Company's regulatory contact; and d) clarification of the customer classes the Company intended to serve.

On September 10, 2014 and October 9, 2014, Staff received the requested information.

## **Review and Analysis**

### **Authority to do Business in Delaware**

The Company is a limited liability corporation formed under the laws of Illinois and has provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of Delaware. The Company submitted a Certificate of Good Standing issued on September 5, 2014 by the Delaware Secretary of State. Both the Certificate of Good Standing and the State of Delaware Certificate of Registration of a Foreign Limited Liability Company are issued in the name of Power Kiosk, LLC. The Company also provided a Certificate of Good Standing issued by the State of Illinois dated April 17, 2014.

### **Resident Agent**

The Company lists the InCorp Services, Inc. as its Registered Agent.

### **Compliance with Regional Requirements**

The Company affirms in its Application that it will only present electricity supply contracts to its customers from Marketers/Electric Suppliers who are in compliance with all applicable PJM requirements.

### **Financial, Operational, Managerial and Technical Ability**

The Company provided the banking information for October 2013 through September 2014 as indicia of financial capability under Section 2.1.1.5.1 of the Supplier Rules. The Company also included a confidential credit report for Mr. Babai. It is Staff's opinion that the Company has provided substantial evidence of the Applicant's financial ability to provide services as a Broker in the State of Delaware.

The Company anticipates acting as a Broker serving commercial and industrial customers for the sale or purchase of electricity throughout the State of Delaware. The Company's Application states that it is presently licensed in Illinois and Pennsylvania. Staff has confirmed that the Company is licensed in those states. The information submitted on July 11<sup>th</sup>, stated that the Company had an application pending in Pennsylvania. Staff was able to confirm that the Company has since received approval to operate in Pennsylvania. Additionally, the Company has received certification in Maryland. The application states that the Company has not been denied approval nor had its authority revoked by any state commission.

The Application included a summary of the key operating personnel of the Company. Hamed Babai, Founder and CEO of the Company, has a Ph.D. in Engineering from Northwestern University. The Application states that Mr. Babai was employed as the Chief Technology Officer for Best Energy, LLC from January 2012 through January 2013. From 2007 through 2011 Mr. Babai worked as a Post-Doctorate Fellow for Northwestern University. The Application states that he has been working on a fully automated energy procurement platform that connects the buyer and seller. Mark Pruitt is listed as an adviser and shareholder of the Company. The Application states that he was the Director of the Illinois Power Agency from 2008-2011. Mr. Pruitt has been working with the Illinois Community Choice Aggregation Network and The Power Bureau in Illinois since 2011. The Application also included the work experience of Dr. Siamak Pour. Mr. Pour has a PhD in Electrical Engineering from Northwestern University. Mr. Pour has been working with the Company since 2013 and is currently a Manager of Strategy and Mergers and Acquisitions with Microsoft. The Application states that he was previously an Associate with Booz & Company where constructed analytical frameworks and financial models that resulted in strategic recommendation for the clients. Staff also performed an internet review and check of the Company and its key operating personnel. The search did not reveal any issues. It is Staff's

opinion that the information included in the Application provides substantial evidence that the Company has the operational, managerial and technical abilities to provide services as a Broker in the State of Delaware.

Surety Bond

The Company did not post a surety bond because it is a Broker only and there are no service agreements between the Company and any Delaware Electric Distribution Company. The Company will not collect any fees or deposits from any of its customers for any of its brokerage services.

Verification of Application

The Application was verified in a signed, sworn verification by Dr. Babai. The Company provided its Articles of Organization showing that Mr. Babai has authorization to sign.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company did not provide any sample contracts for Residential or Small Commercial Customers because it is a Broker only and does not and will not have contracts with Retail Electric Customers to provide Electric Supply Service.

Statement of Criminal Activity

The application states that Company has not been charged with or convicted of any criminal activity. An internet review of the Company and its principals did not reveal any issues.

**Legal Review**

On October 9, 2014, following Staff's completed review and analysis of the Application, Staff forwarded its final analysis to the assigned Attorney to confirm that all required documentation requested and received from the Company was in compliance with applicable provisions of Title 26 and the Supplier Rules.

**Staff Recommendation**

Based on Staff's review and analysis of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The Company resolved all outstanding issues with Staff and all documents filed as part of the Application support the Company's request for certification. Staff's review and analysis of the Application submitted by the company demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.